

AGENDA ITEM # 8

July 13, 2001

To: Delta Protection Commission

From: Legislative Subcommittee (Gleason, Coglianese)
Karen Morais, Delta Protection Commission Staff

Subject: Legislative Update
(For Possible Commission Action)

The first year of the 2001-2002 legislative session began on December 4, 2000 and will run through September 14, 2001. The Legislature's summer recess is scheduled July 20 through August 20. Upon return, members will act on the hundreds of bills remaining on file until Interim Study Recess begins (9/14/01).

All bills that didn't pass their house of origin by June 8 became "two-year" bills. The Delta Protection Commission (DPC) has been following 25 bills this year. Of these, only five are eligible to be sent to the Governor or Secretary of State (Constitutional Amendment) for action this year. Attached is a brief analysis of these five bills for possible Commission action.

The remaining bills are now "two-year" bills and will not be acted upon until after the Legislature reconvenes in January 2002.

DPC staff have been using a new Legislative tracking system. Attached is a report on all the bills staff is monitoring using the new system. Staff will continue monitoring new and amended bills for any measures that would impact the Delta.

An additional bill of interest that is not on the Commission's legislative watch list is SB 347 (Johannessen). SB 347 was recently amended to consolidate several tax exemption measures that would benefit agriculture into one bill and tie it to the passage of the Budget Bill. One of the bills amended into SB 347 is AB 7, which DPC has a recommendation of support. At the July meeting, staff will update the Commission on the status of this bill.

Legislative Subcommittee Review. Commissioners Gleason and Coglianese have reviewed the pending legislation, and suggest the Commission express position of support for:

AB 7 (Cardoza). Sales and use taxes: farm equipment and machinery.

AB 801 (Salinas). Sale of California produce.

AB 1414 (Dickerson). Public lands.

AB 1637 (Dickerson). State agencies and real property.

The Subcommittee believes these bills are consistent with the Commission's legislative mandate and adopted Land Use Plan, and will support implementation of the Commission's Strategic Plan.

Staff Recommendation. Staff recommends the Commission hear from the Subcommittee members. If the Commission agrees, it may direct staff to prepare letters of support for these pieces of pending legislation.

Assembly Constitutional Amendment 8

ACA 8, Keeley. California Water and Land Protection Trust Fund

Existing law contains various provisions relating to the protection of natural resources. This measure would create the California Water and Land Protection Trust Fund in the State Treasury.

The measure would prohibit any of the principal in the trust fund from being appropriated or expended. The measure would authorize the income generated by the trust fund to be used, pursuant to an appropriation by the Legislature, for the acquisition, operation, maintenance, restoration, and enhancement of land for habitat for native fish and wildlife and natural communities, agricultural land, scenic open space, and parks and recreation areas.

Specifies, that preference shall be given to acquisition projects for which matching funds will be provided by a private or public source; that land may only be acquired from a willing seller; and shall be managed to minimize impacts on neighboring lands.

Required Legislative vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS: Passed Assembly Floor 58-10. To be heard in Senate Constitutional Amendments Committee. If passed by both houses, the measure will be placed on a Statewide ballot (Constitutional Amendments do not go to the Governor for action; Constitutional amendments require a 2/3 vote of the members of each house, and must be submitted to a direct vote of the people, and adopted by a majority vote, before becoming a part of the California Constitution.)

FISCAL EFFECT: According to the Assembly Appropriations Committee analysis: 1) Potentially major one-time costs to the State in future years to contribute funding to the trust fund's principal. At the current rate of return for funds invested in PMIA (Pooled Money Investment Account), about \$800 million in principal would be necessary to generate \$50 million; and 2) Costs of about \$200,000 to place this measure on the ballot, based on the Secretary of State's estimate of \$50,000 per page. (General Fund)

SPONSORS: The Trust for Public Land and The Nature Conservancy.

Supporters believe this bill would provide a permanent, dependable funding source for long term plans protecting California's water and land quality.

Opponents believe that this initiative is not the best way for the State to capitalize its money when endeavoring to preserve open space. It would also create an unnecessary third funding mechanism: California funds these activities through the General Fund and Bonds. "Public entities already own/control almost 2/3 of California's property and a considerable amount without a defined plan. It doesn't make sense to acquire more lands when we don't have plans for what we have now".

Recommended Position: Because Constitutional Amendments will be on a statewide ballot, recommend no position at this time, and reconsideration if placed on a statewide Ballot.

Assembly Bill 7

AB 7, Cardoza. Sales and use taxes: farm equipment and machinery.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would, on or after January 1, 2002, and before January 1, 2007, additionally exempt farm equipment and machinery, purchased for use by a qualified person, to be used primarily in producing and harvesting, from taxation under the Sales and Use Tax Law. The bill would also require the Legislative Analyst's Office to report to the Legislature in connection with the utilization of this exemption, as specified. This exemption would not apply to taxes imposed by local government entities, or to certain state tax rates allocated to local governments.

Required Legislative vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS: Passed Assembly Floor 74-0. In Senate Revenue and Taxation Committee, no hearing date set.

FISCAL EFFECT: According to the Board of Equalization (BOE), this bill would result in an annual General Fund revenue loss of approximately \$21.4 million at a 4-3/4% General Fund sales and use tax rate. If the General Fund sales and use tax rate increases to 5%, annual losses would grow to approximately \$22.5 million.

SPONSOR: California is one of only four states (including Hawaii, Nevada, and Washington) that fully tax new farm equipment. Partial sales and use tax exemptions such as the one contained in this bill are favored by some because they do not result in local government revenue losses.

Supporters believe this bill would provide relief to farmers from sales and use tax on farming equipment and machinery.

Opponents: None.

NOTE: This bill, as well as several other rural tax bills, were recently amended into SB 347, Johannessen.

Recommended position: Support. The Commission mission includes preservation and enhancement of agricultural land use in the Primary Zone of the Delta. Lesser taxes on farm equipment would support that goal.

Assembly Bill 801

AB 801, Salinas. Sale of California produce to institutional purchasers.

Under existing law, the Secretary of Food and Agriculture is authorized to foster the marketing and distribution of agricultural products.

This bill, *the Choose California Act*, would require that all California state owned or state run institutions purchase agricultural products grown in California before those that are grown outside the state as long as specified criteria are met regarding the price of bids for in-state products. The bill would require state agencies to report to the Department of Food and Agriculture; The Secretary would compile an annual report.

This bill would exempt produce from State bidding requirements.

Required Legislative vote: majority. Appropriation: no. Fiscal committee: yes.

STATUS: Passed the Assembly Floor 78-0. Placed on Suspense in Senate Appropriations, no hearing date set.

FISCAL EFFECT: The Department of General Services and various state agencies that procure agricultural products could incur additional costs of up to 5% higher than lowest bid prices. AB 801 specifies that if California grown products cost more than 5% higher than those grown outside the state, agencies will give preference to products packed or processed in California as long as the price does not exceed 5% more than the lowest bid for an out-of-state product.

SPONSORS: The California Bean Shippers Association and the California Seed Association.

Supporters state that not only does California have the largest agricultural economy in the world, but also the strictest standards for those products. This bill will consider the health and safety benefits as well. It could also result in increased sales for California farm products.

Opposition: None..

Recommended position: Support. The Commission mission includes preservation and enhancement of agricultural land use in the Primary Zone of the Delta. Lesser taxes on agricultural products would support that goal.

Assembly Bill 1414

AB 1414, Dickerson. Public lands.

This bill would require the Department of Fish and Game to prepare land management plans, and the Department of Parks and Recreation to prepare general plans, for specified properties, which describe goals and strategies for managing the land and would identify and describe both ongoing and any necessary restoration, rehabilitation, and improvement projects for the land. For parcels acquired on or after January 1, 2002, draft plans must be ready for public review

within 18 months of acquisition. The bill would require those departments to report, on or before February 1 of each year, to the appropriate legislative budget subcommittees regarding the plans.

This bill would require the Resources Secretary to compile information regarding acquisition of land and provide a report to the Governor and the Legislature on or before December 31, 2002, and each year thereafter.

Required Legislative vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

STATUS: Passed Assembly Floor 73-0; passed Senate Natural Resources and Wildlife Committee 7-0. In Senate Appropriations Committee.

FISCAL EFFECT: Unknown, potentially significant General Fund costs.

SPONSOR: Bill introduced in response to the State Auditor's report, "California's Wildlife Habitat and Ecosystem: The State Needs to Improve Its Land Acquisition Planning and Oversight", June 2000.

Support: Agricultural Council of California, California Cattlemen's Association, California Farm Bureau Federation, California Forestry Association, California Licensed Foresters Association, Forest Resources Council, National Audubon Society California Northern California Water Association Planning and Conservation League, Regional Council of Rural Counties, The Nature Conservancy.

Opposition: None.

Recommended position: Support. The Commission has commented to CALFED that there are thousands of acres of publicly-owned land in the Delta that should be evaluated for uses that would carry out goals of enhanced ecosystem health in the Delta. AB 1414 would support that needed evaluation.

Assembly Bill 1637

AB 1637, Dickerson. State agencies: real property.

Existing law requires the Department of General Services (DGS) to maintain a complete and accurate statewide inventory of all real property held by the state and requires each state agency to furnish the department with specified information, including, among other things, the location of the property and a description of its current uses and any projected uses during the next 3 years.

This bill would in addition require state agencies to furnish a description of the type of site the property is, including, but not limited to, agricultural, wildlife habitat, historical, ecosystem restoration, and sites where the state retains the right to control the development and or its use.

Additionally, the Resources Agency would be required to collect and disseminate information about proposed land acquisitions by state government, and an annual report would be required that details the land acquisition priorities of state government on a geographical, but not parcel specific, basis.

Required Legislative vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS: Passed Assembly Floor 74-0. In Senate Appropriations Committee.

FISCAL EFFECT: Minor costs, less than \$75,000 annually statewide, to cities and counties to provide written notifications to the Department of Food and Agriculture and the Department of Conservation; these costs are reimbursable from the state. (General Fund.). Unknown, costs to effected State departments.

SPONSOR: Author. Assemblyman Dickerson believes there should be a formal notification process for informing appropriate state agencies of any transactions that would result in agricultural lands being converted to nonagricultural purposes, such as residential or commercial development. The author is concerned about the rate at which California's agricultural acreage is disappearing under the pressures of a growing population and economy.

According to a recent report by the California State Auditor, while the Department of General Services maintains a statewide real property inventory that is capable of tracking information on land owned by state entities, including acreage, location, purchase price, and the specific purposes for which they acquire land, the inventory contains limited information. In particular, the inventory does not identify certain types of land, such as agricultural sites, specific wildlife habitats, and sites where the State retains the right to control the development occurring on the property.

The State Auditor states that without this information, state land use planners do not have a complete picture of the amount of land the State owns for various purposes. This detail is essential for determining California's future needs and for assessing whether individual efforts are compatible with the goals and objectives of the statewide land use policy. This bill is limited only to public agencies and where public agencies are converting land to non-agricultural use. However, the primary cause of agricultural land loss in California is due to development by private interests.

Supporters have historically lobbied to prevent agricultural land from succumbing to development interests, including taking steps to close loopholes in and strengthen agricultural land protection laws, such as the Williamson Act and the California Farmland Conservation Program.

Opposition: None.

Recommended position: Support.



AB 52 (2001-2002) , Wiggins: ASM APPROPRIATIONS

Title: An act to add Division 10.6 (commencing with Section 12300) to the Public Resources Code, relating to financing a program for the acquisition, development, improvement, rehabilitation, restoration, enhancement, and protection of farmlands, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

Topic: California Farmland Conservation Bond Act of 2002.

Last Action: In committee: Set, first hearing. Referred to APPR. suspense file. (05/23/2001)

Folder(s): Bill_Folder

Digest Summary: This bill would enact the California Farmland Conservation Bond Act of 2002 which, if adopted, would authorize, for the purpose of financing a program for the acquisition, development, improvement, rehabilitation, restoration, enhancement, and protection of farmlands in California, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$_____.

AB 107 (2001-2002) , Nation: SEN JUDICIARY

Title: An act to amend Sections 514, 518, 519, 520, 522, 523, and 526 of the Harbors and Navigation Code, and to amend Section 71212 of the Public Resources Code, relating to vessels.

Topic: Vessels: wrecks and wrecked property; ballast water.

Last Action: Hearing postponed by Committee. (06/12/2001)

Folder(s): Bill Folder

Digest Summary:(1) Existing law provides that if any person claims a wrecked vessel within 90 days after it is found, the judge is required to make an order directing the officer in whose possession the property or its proceeds may be, to deliver it to the claimant, as specified. This bill would reduce that period to 45 days.

AB 537 (2001-2002) , Canciamilla: ASM

Title: An act to add Chapter 5 (commencing with Section 160) to Division 1.5 of the Harbors and Navigation Code, relating to navigable waters.

Topic: San Francisco Bay Delta.

Last Action: From printer. May be heard in committee March 24. (02/22/2001)

Folder(s): Bill Folder

Digest Summary: Existing law provides that navigable waters and all streams of sufficient capacity to transport the products of the country are public ways for the purposes of navigation and transportation.

This bill would state the findings and declarations of the Legislature that the San Francisco Bay Delta is becoming increasingly congested with nonnative water plant life, and abandoned and inhabited, unseaworthy water vessels.

AB 759 (2001-2002) , Shelley: ASM

Title: An act to add Section 655.8 to the Harbors and Navigation Code, relating to personal watercraft.

Topic: Personal watercraft: bans.

Last Action: To inactive file on motion of Assembly Member Shelley. (06/04/2001)

Folder(s): Bill Folder

Digest Summary: Existing law regulates the use of personal watercraft.

This bill would authorize any city, county, or city and county to adopt an ordinance to ban the use of personal watercraft in any navigable water within the jurisdiction of the city, county, or city and county, as prescribed.

AB 776 (2001-2002) , Thomson: ASM

Title: An act relating to water.

Topic: State Water Quality Control Board.

Last Action: To inactive file on motion of Assembly Member Thomson. (05/14/2001)

Folder(s): Bill Folder

Digest Summary: This bill would declare various legislative findings and declarations relating to water quality standards in the San Francisco Bay/Sacramento-San Joaquin Delta set forth in the State Water Resources Control Board's 1995 Bay Delta-Water Quality Control Plan.

AB 782 (2001-2002) , Thomson: ASM APPROPRIATIONS

Title: An act to amend Section 12585.7 of the Water Code, relating to water.

Topic: Flood control.

Last Action: In committee: Set, second hearing. Held under submission. Set, second hearing. Held under submission. (05/31/2001)

Folder(s): Bill Folder

Digest Summary: Existing law requires the state to pay 50% of certain nonfederal costs related to specified flood control projects authorized on or after January 1, 2002, and to certain flood management projects, and authorizes that state share to be increased, as prescribed, if the Department of Water Resources or the Reclamation Board makes certain determinations.

This bill would, in addition, authorize that state share to be increased for those described flood control and flood management projects if those projects increase the level of flood protection, or maintain the structural integrity of levees, channels, or other features, in a manner that provides benefits to an area that exceeds the jurisdiction of the responsible agency.

AB 862 (2001-2002) , Thomson: ASM APPROPRIATIONS

Title: An act relating to navigation, and making an appropriation therefor.

Topic: Federal navigation projects: Port of Sacramento: local matching share.

Last Action: In committee: Set, second hearing. Held under submission. Set, second hearing. Held under submission. (05/31/2001)

Folder(s): Bill Folder

Digest Summary: Existing law contains legislative findings and declarations regarding the state's compelling interest in the success of her ports and harbors.

This bill would appropriate \$16,000,000 from the General Fund to the Department of Boating

and Waterways for allocation for the 2001-02 fiscal year to the Port of Sacramento for the purpose of meeting local matching share requirements for federal navigation projects.

AB 1332 (2001-2002) , Cardoza: ASM AGRICULTURE

Title: An act to add Section 401.7 to the Food and Agricultural Code, relating to agriculture.

Topic: Agricultural commodities.

Last Action: In committee: Set, first hearing. Hearing canceled at the request of author. (04/25/2001)

Folder(s): Bill Folder

Digest Summary: Existing law requires the Department of Food and Agriculture to promote and protect the agricultural industry of the state.

This bill would authorize the department, in consultation with the agricultural industry, to develop programs to promote California-grown agricultural products through the use of marketing licenses, trademarks, nutrition education, and related activities.

AB 1410 (2001-2002) , Hollingsworth: ASM TRANSPORTATION

Title: An act to add Section 663.8 to the Harbors and Navigation Code, relating to vessels.

Topic: Vessels: use prohibitions.

Last Action: Referred to Coms. on TRANS. and L. GOV. (03/22/2001)

Folder(s): Bill Folder

Digest Summary: Existing law requires undocumented vessels to be numbered by the Department of Motor Vehicles and prescribes fees for the issuance and renewal of a certification of numbering.

This bill would require the Department of Boating and Waterways to withhold numbering fees, sales taxes, and property taxes derived from types of undocumented vessels from counties and cities that prohibit use of those types of vessels.

AB 1540 (2001-2002) , Strickland: ASM LOCAL GOVERNMENT

Title: An act to add Section 65566.5 to the Government Code, relating to open-space land.

Topic: Open-space lands. **Last Action:** Referred to Com. on L. GOV. (03/19/2001)

Folder(s): Bill Folder

Digest Summary: Existing law authorizes counties and cities to contract with land owners to keep lands as open spaces.

This bill would provide that any action by a county or city to set aside or dedicate open-space land pursuant to any provision of law and to establish any related easement or other benefit shall not become effective until approved by 2/3 of the voters voting on the issue in the county or city in which the land is situated.

SB 196 (2001-2002) , Chesbro: ASM

Title: An act relating to park, coastal, and historic resources.

Topic: Parks, coastal protection, and historic preservation: bond act.

Last Action: In Assembly. Read first time. Held at Desk. (06/06/2001)

Folder(s): Bill Folder

Digest Summary: Under existing law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities.

This bill would *declare the intent of the Legislature to enact legislation to provide bond funds* for the acquisition, development, improvement, rehabilitation, restoration, enhancement, and protection of park, coastal, and historical resources .

SB 550 (2001-2002) , Costa: SEN NATURAL RESOURCES AND WILDLIFE

Title: An act to amend Section 2087 of the Fish and Game Code, relating to endangered species.

Topic: Endangered species.

Last Action: Set, first hearing. Hearing canceled at the request of author. (05/08/2001)

Folder(s): Bill Folder

Digest Summary: Under existing law, until December 31, 2002, the accidental take of candidate, threatened, or endangered species on a farm or ranch is not prohibited by the California Endangered Species Act under specified circumstances.

This bill would continue that exception to the act by deleting the termination date.

SB 727 (2001-2002) , Costa: SEN AGRICULTURE AND WATER RESOURCES

Title: An act to add and repeal Chapter 7.8 (commencing with Section 12929.49) of Part 6 of Division 6 of the Water Code, relating to water.

Topic: Environmental Water Account Act of 2001.

Last Action: Author's amendments. (04/24/2001)

Folder(s): Bill Folder

Digest Summary: Under existing law , there is in the Resources Agency a Department of Water Resources which is under the control of the Director of Water Resources, who is appointed by the Governor.

This bill would *enact the Environmental Water Account Program Act of 2001*.

SB 868 (2001-2002) , Costa: SEN AGRICULTURE AND WATER RESOURCES

Title: An act to add Division 27 (commencing with Section 79290) to the Water Code, relating to financing a clean, reliable water supply and drought year water supply infrastructure program, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

Topic: Water Bond Act of 2001: water resources.

Last Action: To Com. on AGR. & WAT. RES. (03/15/2001)

Folder(s): Bill Folder

Digest Summary: Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs.

This bill would enact the Water Bond Act of 2001 which, if adopted, would authorize, for purposes of financing a clean, reliable water supply and drought year water supply infrastructure program, the issuance, pursuant to the State General Obligation Bond Law, of bonds in an unspecified amount.

SB 995 (2001-2002) , Morrow: SEN NATURAL RESOURCES AND WILDLIFE

Title: An act to amend Section 660 of the Harbors and Navigation Code, relating to vessels.

Topic: Vessels: special-use areas. **Last Action:** To Com. on N.R. & W. (03/15/2001)

Folder(s): Bill Folder

Digest Summary: Existing law requires generally that any ordinance, law, regulation, or rule adopted by certain state or local entities relating to vessels pertain only to time-of-day restrictions, speed zones, special-use areas, and sanitation and pollution control. This bill would prohibit those certain entities from adopting any ordinance, law, regulation, or rule that would allow special-use areas to be used in a manner that interferes with boating access to channels, shipping lanes, or international waters.

SB 1009 (2001-2002) , Costa: SEN RULES

Title: An act to add Article 6 (commencing with Section 33595) to Chapter 5 of Part 1 of Division 15 of the Food and Agricultural Code, relating to agriculture.

Topic: Agriculture.

Last Action: Set, first hearing. Held in committee and under submission. (05/31/2001)

Folder(s): Bill Folder

Digest Summary: Existing law requires the Secretary of Food and Agriculture to convene a Scientific Advisory Panel on Environmental Farming to review data on the environmental impacts of agricultural activities and to advise and assist federal, state, and local government agencies on issues relating to air, water, and wildlife habitat.

This bill would create the Dairy Environmental Working Group in the Department of Food and Agriculture.

SB 1107 (2001-2002) , Alarcon: SEN RULES

Title: An act relating to water.

Topic: Water quality: total maximum daily loads.

Last Action: To Com. on RLS. (03/15/2001)

Folder(s): Bill Folder

Digest Summary: Under the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with regulatory authority over water quality.

This bill would make a statement of legislative intent to enact a pilot program to assist local governments to comply with requirements relating to total maximum daily loads.

SB 1108 (2001-2002) , Ortiz: SEN RULES

Title: An act relating to water hyacinth.

Topic: Water hyacinth.

Last Action: To Com. on RLS. (03/15/2001)

Folder(s): Bill Folder

Digest Summary: This bill would declare the intent of the Legislature to enact legislation prohibiting the sale, transport, export, import, or planting of water hyacinth.

SB 1115 (2001-2002) , Costa: SEN AGRICULTURE AND WATER RESOURCES

Title: An act to add Division 8 (commencing with Section 15001) to the Water Code, relating to the CALFED Bay-Delta Commission.

Topic: The CALFED Bay-Delta Program.

Last Action: Hearing postponed by Committee. (04/17/2001)

Folder(s): Bill Folder

Digest Summary: Under existing law, certain state and federal agencies with management and regulatory responsibilities in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary participate in the CALFED Bay-Delta Program for the purposes of improving ecosystem quality, water supply reliability, water quality, and the integrity of the levees and channels in the bay-delta.

This bill would create in the Resources Agency a CALFED Bay-Delta Commission to manage the implementation of the CALFED Bay-Delta Program, as specified.

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